

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAVES COUNTY WATER)	CASE NO.
DISTRICT FOR AN ALTERNATIVE RATE)	2018-00429
ADJUSTMENT)	

ORDER

On July 31, 2019, Graves County Water District (Graves District) filed a motion requesting Commission approval to place rates recommended by Commission Staff (Staff) into effect immediately. On June 10, 2019, Staff filed a report (Staff Report) that, among other things, recommended a rate increase of 14.17 percent, as opposed to the 20.00 percent increase proposed by Graves District. The Staff Report also recommended that Graves District implement a monthly surcharge of \$3.20 per customer for Graves District's water loss detection and repair program. Graves District is not requesting to place the surcharge into effect prior to a final order in this proceeding,¹ and requests to place only the Staff recommended rates into effect.

As a basis for the request, Graves District explains that it is in serious financial difficulty and needs an immediate rate increase to meet its operating expenses. Graves District notes that, under KRS 278.190(2) and 807 KAR 5:076, Section 7(2), it can place its proposed rates into effect subject to refund. Graves District states that putting the

¹ On June 21, 2019, Graves District filed comments accepting the rates and surcharge recommended in the Staff Report, but requested approval for a two-step phase in of the surcharge, with a monthly surcharge of \$2.00 per customer for the first 12 months of the surcharge implementation, and a monthly surcharge of \$3.20 per customer subsequent to the first 12 months. The Commission decision on this issue is pending.

proposed rates into effect now would produce a higher level of revenue than the rates recommended in the Staff Report and, therefore, it is unlikely that the Commission would approve the proposed rates. As a result, placing the proposed rates into effect now would require Graves District to make refunds when the final rates are approved. Graves District asserts that issuing refunds places significant administrative burdens on it and would create customer confusion.

Based upon the motion and being otherwise sufficiently advised, the Commission finds that Graves District established good cause to place the rates recommended in the Staff Report into effect as of the date of this Order, subject to refund. Although the Commission intends to issue a final Order prior to the November 9, 2019 statutory date referenced in Graves District's motion, Graves District's present rates do not cover its expenses. According to Graves District, it has an \$18,600 monthly deficit due to inadequate rates and had to draw on its operating line of credit to meet operating expense in December 2018. The Commission further finds that, pending a final Order in this proceeding, Graves District should be permitted to charge the rates set forth in the Appendix to this Order for water service on an interim basis, subject to refund.

IT IS THEREFORE ORDERED that:

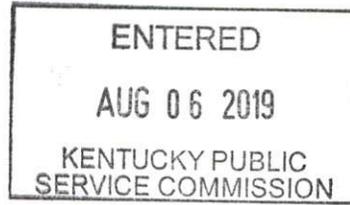
1. Graves District's motion to implement interim rates is granted.
2. The rates and charges set forth in the Appendix to this Order are approved, subject to change, for water service that Graves District renders on and after the date of this Order.
3. The revenue from the interim rates and charges shall be collected subject to refund, pending a final determination by the Commission.

4. Graves District shall maintain its records in a manner that will enable a determination of the amounts to be refunded and to whom the refunds are due in the event a refund is ordered by the Commission.

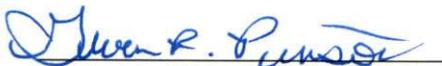
5. Within 20 days of the date of this Order, Graves District shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting forth the interim rates and charges approved herein and their effective date, and stating that the interim rates and charges were authorized, subject to refund, by this Order.

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By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2018-00429 DATED **AUG 06 2019**

Monthly Water Rates

5/8 x 3/4- Inch Meter

First	2,000	Gallons	\$ 15.45	Minimum bill
Next	8,000	Gallons	6.03	per 1,000 Gallons
Next	10,000	Gallons	5.40	per 1,000 Gallons
Next	30,000	Gallons	4.77	per 1,000 Gallons
All Over	50,000	Gallons	4.14	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$ 33.53	Minimum bill
Next	5,000	Gallons	6.03	per 1,000 Gallons
Next	10,000	Gallons	5.40	per 1,000 Gallons
Next	30,000	Gallons	4.77	per 1,000 Gallons
All Over	50,000	Gallons	4.14	per 1,000 Gallons

1.5-Inch Meter

First	7,500	Gallons	\$ 48.62	Minimum bill
Next	2,500	Gallons	6.03	per 1,000 Gallons
Next	10,000	Gallons	5.40	per 1,000 Gallons
Next	30,000	Gallons	4.77	per 1,000 Gallons
All Over	50,000	Gallons	4.14	per 1,000 Gallons

2-Inch Meter

First	20,000	Gallons	\$117.68	Minimum bill
Next	30,000	Gallons	4.77	per 1,000 Gallons
All Over	50,000	Gallons	4.14	per 1,000 Gallons

3-Inch Meter

First	30,000	Gallons	\$260.79	Minimum bill
Next	20,000	Gallons	4.77	per 1,000 Gallons
All Over	50,000	Gallons	4.14	per 1,000 Gallons

4-Inch Meter

First	50,000	Gallons	\$260.85	Minimum bill
All Over	50,000	Gallons	4.14	per 1,000 Gallons

Wholesale Rate

\$ 3.07	per 1,000 Gallons
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Monthly Surcharge for former Hickory area	\$ 1.56	per customer
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*S. Boyd Neely, Jr.
Neely, Brien, Wilson, & Toombs, PLLC
238 North 7th Street
P.O. Box 708
Mayfield, KENTUCKY 42066

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Graves County Water District
P. O. Box 329
301 East Broadway
Mayfield, KY 42066

*Kevin Leonard
Water & Wastewater Manager
Mayfield Electric & Water Systems
301 East Broadway
P.O. Box 347
Mayfield, KENTUCKY 42066